

Sec. 23. EFFECTIVE DATE. This division of this Act takes effect July 1, 2005.

DIVISION V

Sec. 24. EFFECTIVE DATE. Unless specifically provided otherwise, this Act, being deemed of immediate importance, takes effect upon enactment.

Approved June 3, 2005

**CHAPTER 169**

APPROPRIATIONS — EDUCATION

H.F. 816

**AN ACT** relating to the funding of, the operation of, and appropriation of moneys to the college student aid commission, the department for the blind, the department of cultural affairs, the department of education, and the state board of regents and providing an effective date.

*Be It Enacted by the General Assembly of the State of Iowa:*

DEPARTMENT FOR THE BLIND

Section 1. ADMINISTRATION. There is appropriated from the general fund of the state to the department for the blind for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes and for not more than the following full-time equivalent positions:

.....	\$	1,886,842
.....	FTEs	109.50

COLLEGE STUDENT AID COMMISSION

Sec. 2. There is appropriated from the general fund of the state to the college student aid commission for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amounts, or so much thereof as may be necessary, to be used for the purposes designated:

1. GENERAL ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	349,494
.....	FTEs	4.30

2. STUDENT AID PROGRAMS

For payments to students for the Iowa grant program:

.....	\$	1,029,784
-------	----	-----------

3. DES MOINES UNIVERSITY — OSTEOPATHIC MEDICAL CENTER

a. For forgivable loans to Iowa students attending the Des Moines university — osteopathic medical center under the forgivable loan program pursuant to section 261.19:

.....	\$	50,000
-------	----	--------

To receive funds appropriated pursuant to this paragraph, Des Moines university — osteopathic medical center shall match the funds with institutional funds on a dollar-for-dollar basis.

b. For the Des Moines university — osteopathic medical center for an initiative in primary health care to direct primary care physicians to shortage areas in the state:

..... \$ 346,451

4. NATIONAL GUARD EDUCATIONAL ASSISTANCE PROGRAM

For purposes of providing national guard educational assistance under the program established in section 261.86:

..... \$ 3,800,000<sup>1</sup>

5. TEACHER SHORTAGE FORGIVABLE LOAN PROGRAM

For the teacher shortage forgivable loan program established in section 261.111:

..... \$ 285,000

Sec. 3. COLLEGE STUDENT AID COMMISSION STUDY — STATE AID FOR STUDENTS ENROLLED IN ACCREDITED PRIVATE INSTITUTIONS. The college student aid commission shall develop, in consultation with representatives from accredited private institutions whose income is not exempt from taxation under section 501(c) of the Internal Revenue Code, recommendations for a policy regarding the protection of educational consumers for inclusion in the definition of “accredited private institution” under section 261.9. It is the intent of the general assembly to consider such a policy as it might apply to private institutions whose income is not exempt, and those private institutions whose income is exempt, from taxation under section 501(c) of the Internal Revenue Code. In determining its recommendations, the commission shall include a review of information that includes, but is not limited to, the percent of students who are enrolled in each institution who have high school graduation diplomas, the percentage of students enrolled in each institution who have high school equivalency diplomas, the percentage of low-income students enrolled in each institution, the percentage of nontraditional students enrolled in each institution, the graduation and job placement rates of each institution, and each institution’s official cohort default rate, which is released annually by the United States department of education. The commission shall submit its findings and recommendations to the governor and the general assembly by January 10, 2006.

Sec. 4. WORK-STUDY APPROPRIATION FOR FY 2005-2006. Notwithstanding section 261.85, for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the amount appropriated from the general fund of the state to the college student aid commission for the work-study program under section 261.85 shall be \$140,000, and from the moneys appropriated in this section, \$76,365 shall be allocated to institutions of higher education under the state board of regents and community colleges and the remaining dollars appropriated in this section shall be allocated by the college student aid commission on the basis of need as determined by the portion of the federal formula for distribution for work-study funds that relates to the current need of institutions.

DEPARTMENT OF CULTURAL AFFAIRS

Sec. 5. There is appropriated from the general fund of the state to the department of cultural affairs for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATION

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 235,636

The department of cultural affairs shall coordinate activities with the tourism office of the department of economic development to promote attendance at the state historical building and at this state’s historic sites.

<sup>1</sup> See chapter 179, §37 herein

2. COMMUNITY CULTURAL GRANTS	
For planning and programming for the community cultural grants program established under section 303.3:	
.....	\$ 299,240
3. HISTORICAL DIVISION	
For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:	
.....	\$ 3,040,920
.....	FTEs 65.00
4. HISTORIC SITES	
For salaries, support, maintenance, and miscellaneous purposes:	
.....	\$ 526,459
5. ARTS DIVISION	
For salaries, support, maintenance, miscellaneous purposes, including funds to match federal grants and for not more than the following full-time equivalent positions:	
.....	\$ 1,157,486
.....	FTEs 11.25
6. GREAT PLACES	
For salaries, support, maintenance, and miscellaneous purposes:	
.....	\$ 200,000
7. ARCHIVE IOWA GOVERNORS' RECORDS	
For archiving the records of Iowa governors:	
.....	\$ 75,000

#### DEPARTMENT OF EDUCATION

Sec. 6. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amounts, or so much thereof as may be necessary, to be used for the purposes designated:

##### 1. GENERAL ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$ 5,139,542
.....	FTEs 76.27

The director of the department of education shall ensure that all school districts are aware of the state education resources available on the state website for listing teacher job openings and shall make every reasonable effort to enable qualified practitioners to post their resumes on the state website. The department shall administer the posting of job vacancies for school districts, accredited nonpublic schools, and area education agencies on the state website. The department may coordinate this activity with the Iowa school board association or other interested education associations in the state. The department shall strongly encourage school districts to seek direct claiming under the medical assistance program for funding of school district nursing services for students.

##### 2. VOCATIONAL EDUCATION ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$ 514,828
.....	FTEs 13.80

##### 3. VOCATIONAL REHABILITATION SERVICES DIVISION

a. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$ 4,475,050
.....	FTEs 273.50

The division of vocational rehabilitation services shall seek funding from other sources,

such as local funds, for purposes of matching the state’s federal vocational rehabilitation allocation, as well as for matching other federal vocational rehabilitation funding that may become available.

Except where prohibited under federal law, the division of vocational rehabilitation services of the department of education shall accept client assessments, or assessments of potential clients, performed by other agencies in order to reduce duplication of effort.

Notwithstanding the full-time equivalent position limit established in this lettered paragraph, for the fiscal year ending June 30, 2006, if federal funding is received to pay the costs of additional employees for the vocational rehabilitation services division who would have duties relating to vocational rehabilitation services paid for through federal funding, authorization to hire not more than 4.00 additional full-time equivalent employees shall be provided, the full-time equivalent position limit shall be exceeded, and the additional employees shall be hired by the division.

b. For matching funds for programs to enable persons with severe physical or mental disabilities to function more independently, including salaries and support, and for not more than the following full-time equivalent position:

.....	\$	54,150
.....	FTEs	1.00

The highest priority use for the moneys appropriated under this lettered paragraph shall be for programs that emphasize employment and assist persons with severe physical or mental disabilities to find and maintain employment to enable them to function more independently.

4. STATE LIBRARY

a. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,378,555
.....	FTEs	18.00

b. For the enrich Iowa program:

.....	\$	1,698,432
-------	----	-----------

(1) Funds allocated for purposes of the enrich Iowa program as provided in this lettered paragraph shall be distributed by the division of libraries and information services to provide support for Iowa’s libraries. The commission of libraries shall develop rules governing the allocation of funds provided by the general assembly for the enrich Iowa program to provide direct state assistance to public libraries and to fund the open access and access plus programs. Direct state assistance to eligible public libraries is provided as an incentive to improve library services and to reduce inequities among communities in the delivery of library services based on recognized and adopted performance measures. Funds distributed as direct state assistance shall be distributed to eligible public libraries that are in compliance with performance measures adopted by rule by the commission of libraries. The funds allocated as provided in this lettered paragraph shall not be used for the costs of administration by the division. The amount of direct state assistance distributed to each eligible public library shall be based upon the following:

- (a) The level of compliance by the eligible public library with the performance measures adopted by the commission as provided in this subparagraph.
- (b) The number of people residing within an eligible library’s geographic service area for whom the library provides services.
- (c) The amount of other funding the eligible public library received in the previous fiscal year for providing services to rural residents and to contracting communities.

(2) Moneys received by a public library under this lettered paragraph shall supplement, not supplant, any other funding received by the library.

(3) For purposes of this section, “eligible public library” means a public library that meets all of the following requirements:

- (a) Submits to the division all of the following:
  - (i) The report provided for under section 256.51, subsection 1, paragraph “h”.
  - (ii) An application and accreditation report, in a format approved by the commission, that

provides evidence of the library’s compliance with at least one level of the standards established in accordance with section 256.51, subsection 1, paragraph “k”.

(iii) Any other application or report the division deems necessary for the implementation of the enrich Iowa program.

(b) Participates in the library resource and information sharing programs established by the state library.

(c) Is a public library established by city ordinance or a library district as provided in chapter 336.

(4) Each eligible public library shall maintain a separate listing within its budget for payments received and expenditures made pursuant to this lettered paragraph, and shall annually submit this listing to the division.

(5) By January 15, 2007, the division shall submit a program evaluation report to the general assembly and the governor detailing the uses and the impacts of funds allocated under this lettered paragraph.

(6) A public library that receives funds in accordance with this lettered paragraph shall have an internet use policy in place, which may or may not include internet filtering. The library shall submit a report describing the library’s internet use efforts to the division.

(7) A public library that receives funds in accordance with this lettered paragraph shall provide open access, the reciprocal borrowing program, as a service to its patrons, at a reimbursement rate determined by the state library.

5. LIBRARY SERVICE AREA SYSTEM

For state aid:

..... \$ 1,376,558

6. PUBLIC BROADCASTING DIVISION

For salaries, support, maintenance, capital expenditures, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 7,356,722  
 ..... FTEs 86.00

7. REGIONAL TELECOMMUNICATIONS COUNCILS

For state aid:

..... \$ 1,240,478

The regional telecommunications councils established in section 8D.5 shall use the funds appropriated in this subsection to provide technical assistance for network classrooms, planning and troubleshooting for local area networks, scheduling of video sites, and other related support activities.

8. VOCATIONAL EDUCATION TO SECONDARY SCHOOLS

For reimbursement for vocational education expenditures made by secondary schools:

..... \$ 2,936,904

Funds appropriated in this subsection shall be used for expenditures made by school districts to meet the standards set in sections 256.11, 258.4, and 260C.14 as a result of the enactment of 1989 Iowa Acts, chapter 278. Funds shall be used as reimbursement for vocational education expenditures made by secondary schools in the manner provided by the department of education for implementation of the standards set in 1989 Iowa Acts, chapter 278.

9. SCHOOL FOOD SERVICE

For use as state matching funds for federal programs that shall be disbursed according to federal regulations, including salaries, support, maintenance, and miscellaneous purposes:

..... \$ 2,509,683

10. IOWA EMPOWERMENT FUND

For deposit in the school ready children grants account of the Iowa empowerment fund created in section 28.9:

..... \$ 23,781,594

a. From the moneys deposited in the school ready children grants account for the fiscal year beginning July 1, 2005, and ending June 30, 2006, not more than \$300,000 is allocated for the community empowerment office and other technical assistance activities and of that amount,

not more than \$50,000 shall be used to administer the early childhood coordinator’s position pursuant to section 28.3, subsection 6A, if enacted by 2005 Iowa Acts, House File 761,<sup>2</sup> and not more than \$50,000 shall be used to implement an early childhood Iowa website for wide dissemination of early care and early childhood learning information and assistance. It is the intent of the general assembly that regional technical assistance teams will be established and will include staff from various agencies, as appropriate, including the area education agencies, community colleges, and the Iowa state university of science and technology cooperative extension service in agriculture and home economics. The Iowa empowerment board shall direct staff to work with the advisory council to inventory technical assistance needs. Funds allocated under this lettered paragraph may be used by the Iowa empowerment board for the purpose of skills development and support for ongoing training of the regional technical assistance teams. However, funds shall not be used for additional staff or for the reimbursement of staff.

b. Notwithstanding any other provision of law to the contrary, the community empowerment office shall use the documentation created by the legislative services agency to continue the implementation of the four-year phase-in period of the distribution formula approved by the community empowerment board.

c. As a condition of receiving funding appropriated in this subsection, each community empowerment area board shall report to the Iowa empowerment board progress on each of the state indicators approved by the state board, as well as progress on local indicators. The community empowerment area board must also submit a written plan amendment extending by one year the area’s comprehensive school ready children grant plan developed for providing services for children from birth through five years of age and provide other information specified by the Iowa empowerment board. The amendment may also provide for changes in the programs and services provided under the plan. The Iowa empowerment board shall establish a submission deadline for the plan amendment that allows a reasonable period of time for preparation of the plan amendment and for review and approval or request for modification of the plan amendment by the Iowa empowerment board. In addition, the community empowerment board must continue to comply with reporting provisions and other requirements adopted by the Iowa empowerment board in implementing section 28.8.

d. Of the amount appropriated in this subsection for deposit in the school ready children grants account of the Iowa empowerment fund that is used for distribution to areas, \$4,650,000 shall be used to assist low-income parents with preschool tuition.

e. Of the amount appropriated in this subsection for deposit in the school ready children grants account of the Iowa empowerment fund that is used for distribution to areas, \$1,000,000 shall be used to collaborate with area education agencies and community colleges to provide both child care and preschool providers with ready access to high-quality professional development.

11. TEXTBOOKS OF NONPUBLIC SCHOOL PUPILS

To provide funds for costs of providing textbooks to each resident pupil who attends a nonpublic school as authorized by section 301.1. The funding is limited to \$20 per pupil and shall not exceed the comparable services offered to resident public school pupils:

..... \$ 614,058

12. STUDENT ACHIEVEMENT AND TEACHER QUALITY PROGRAM

For purposes, as provided in law, of the student achievement and teacher quality program established pursuant to chapter 284:

..... \$ 69,593,894

13. COMMUNITY COLLEGES

For general state financial aid to merged areas as defined in section 260C.2 in accordance with chapters 258 and 260C:

..... \$ 149,579,244

The funds appropriated in this subsection shall be allocated as provided under section 260C.18C, as enacted by this Act, as follows:

a. Merged Area I ..... \$ 7,235,394

<sup>2</sup> Chapter 148, §6 herein

b. Merged Area II .....	\$	8,293,881
c. Merged Area III .....	\$	7,673,998
d. Merged Area IV .....	\$	3,764,072
e. Merged Area V .....	\$	8,129,369
f. Merged Area VI .....	\$	7,299,114
g. Merged Area VII .....	\$	10,652,239
h. Merged Area IX .....	\$	13,139,157
i. Merged Area X .....	\$	21,321,279
j. Merged Area XI .....	\$	22,050,079
k. Merged Area XII .....	\$	8,684,671
l. Merged Area XIII .....	\$	8,819,900
m. Merged Area XIV .....	\$	3,810,283
n. Merged Area XV .....	\$	11,972,648
o. Merged Area XVI .....	\$	6,733,160

Sec. 7. STATEWIDE TEACHER INTERN PROGRAM — FEDERAL GRANT APPLICATION COORDINATION.

The department shall work cooperatively with the state board of regents and other appropriate eligible grantees to obtain any available federal funding, including grants that may be available for the establishment and operation of a teacher intern program.

Sec. 8. BOARD OF EDUCATIONAL EXAMINERS LICENSING FEES.

Notwithstanding section 272.10, for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the executive director of the board of educational examiners shall deposit at least 27 percent of the fees collected annually with the treasurer of state which shall be credited to the general fund of the state. The remaining licensing fees collected during the fiscal year beginning July 1, 2005, and retained are appropriated to the board for the purposes related to the board's duties. Notwithstanding section 8.33, licensing fees retained by and appropriated to the board pursuant to this section that remain unencumbered or unobligated at the close of the fiscal year in an amount of not more than 10 percent of the total licensing fees collected by the board by the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

\*Sec. 9. EDUCATOR LICENSING REVIEW WORKING GROUP.

1. The board of educational examiners, in consultation with the department of education, shall convene a working group whose work shall be conducted over a three-year period to identify and recommend measures to improve Iowa's current teacher and administrator preparation and licensing practices. The working group shall review the current teacher and administrator preparation and licensing processes to identify essential standards to maintain quality preparation and licensing requirements for teachers and administrators. The review shall also do the following:

- Identify state laws and agency rules that are no longer essential to maintain quality.
- Compare Iowa's teacher and administrator preparation and licensing practices with those of neighboring states, and identify those areas where Iowa's practices differ from, or are consistent with, the practices of the states neighboring Iowa.
- Identify potential barriers preventing teacher and administrator candidates from neighboring states from applying for licensure in Iowa.
- Review federal laws and regulations relating to teachers and teacher licensure in order to ensure compliance with federal laws and regulations, especially those relating to highly qualified teachers.

2. The working group shall consist of teachers, administrators, and representatives of the department of education, the state board of education, the board of educational examiners, and practitioner preparation institutions.

3. The working group shall annually submit its findings and recommendations to the chair-

\* Item veto; see message at end of the Act

persons and ranking members of the senate and house standing education committees and the joint appropriations subcommittee on education by January 15.\*

Sec. 10. MINIMUM TEACHER SALARY REQUIREMENTS — FY 2005-2006.

1. Notwithstanding section 284.7, subsection 1, paragraph "a", subparagraph (2), the minimum teacher salary paid by a school district or area education agency for purposes of teacher compensation in accordance with chapter 284, for the fiscal year beginning July 1, 2005, and ending June 30, 2006, shall be the minimum salary amount the school district or area education agency paid to a first-year beginning teacher or, the minimum salary amount the school district or area education agency would have paid a first-year beginning teacher if the school district or area education agency had participated in the program in the 2001-2002 school year, in accordance with section 284.7, subsection 1, Code Supplement 2001. If the school district or area education agency did not employ a first-year beginning teacher in the 2001-2002 school year, the minimum salary is the amount that the district would have paid a first-year beginning teacher under chapter 284 in the 2001-2002 school year.

2. Notwithstanding section 284.7, subsection 1, paragraph "b", subparagraph (2), the minimum career teacher salary paid to a career teacher who was a beginning teacher in the 2004-2005 school year, by a school district or area education agency participating in the student achievement and teacher quality program, for the school year beginning July 1, 2005, and ending June 30, 2006, shall be, unless the school district has a minimum career teacher salary that exceeds thirty thousand dollars, one thousand dollars greater than the minimum salary amount the school district or area education agency paid to a first-year beginning teacher if the school district or area education agency participated in the program during the 2001-2002 school year, or the minimum salary amount the school district or area education agency would have paid a first-year beginning teacher if the school district or area education agency had participated in the program in the 2001-2002 school year, in accordance with section 284.7, subsection 1, Code Supplement 2001.

3. Notwithstanding section 284.7, subsection 1, paragraph "b", subparagraph (2), and except as provided in subsection 2, the minimum career teacher salary paid by a school district or area education agency participating in the student achievement and teacher quality program, for purposes of teacher compensation in accordance with chapter 284, for the school year beginning July 1, 2005, and ending June 30, 2006, shall be the minimum salary amount the school district or area education agency paid to a career teacher if the school district or area education agency participated in the program during the 2001-2002 school year, or, the minimum salary amount the school district or area education agency would have paid a career teacher if the school district or area education agency had participated in the program in the 2001-2002 school year, in accordance with section 284.7, subsection 1, Code Supplement 2001.

Sec. 11. TRANSFER OF TECHNOLOGY PURCHASED FOR ACCREDITED NONPUBLIC SCHOOL STUDENTS. In the event that an accredited nonpublic school physically relocates to another school district, technology purchased prior to July 1, 2005, by a school district with state funds appropriated for purposes of making technology available to pupils attending the accredited nonpublic school shall be transferred to the school district in which the nonpublic school has relocated and may be made available to the nonpublic school.

STATE BOARD OF REGENTS

Sec. 12. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amounts, or so much thereof as may be necessary, to be used for the purposes designated:

1. OFFICE OF STATE BOARD OF REGENTS

a. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,167,137
.....	FTEs	16.00

\* Item veto; see message at end of the Act

*\*The state board of regents, the department of management, and the legislative services agency shall cooperate to determine and agree upon, by November 15, 2005, the amount that needs to be appropriated for tuition replacement for the fiscal year beginning July 1, 2006.\**

The state board of regents shall submit a monthly financial report in a format agreed upon by the state board of regents office and the legislative services agency.

b. For allocation by the state board of regents to the state university of Iowa, the Iowa state university of science and technology, and the university of northern Iowa to reimburse the institutions for deficiencies in their operating funds resulting from the pledging of tuitions, student fees and charges, and institutional income to finance the cost of providing academic and administrative buildings and facilities and utility services at the institutions:

..... \$ 13,975,431

Notwithstanding section 8.33, funds appropriated for the purposes in this lettered paragraph remaining unencumbered or unobligated at the end of the fiscal year shall not revert but shall be available for expenditure for the purposes specified in this lettered paragraph during the subsequent fiscal year.

c. For funds to be allocated to the southwest Iowa graduate studies center:

..... \$ 105,956

d. For funds to be allocated to the siouxland interstate metropolitan planning council for the tristate graduate center under section 262.9, subsection 21:

..... \$ 77,941

e. For funds to be allocated to the quad-cities graduate studies center:

..... \$ 157,144

f. For funds for regents universities' general operating budgets:

..... \$ 14,969,288

The funds appropriated for purposes of this lettered paragraph are subject to the following allocations and requirements:

(1) The partnership for transformation and excellence is a four-year partnership plan created by the state board of regents for the purpose of enhancing the regents' strategic priorities for educational quality and public accountability. Under the plan, Iowa students and families will be subject to moderate student tuition increases, and a clear and concise reallocation plan that may be audited will exist to strengthen the academic focus at the regents universities. The reallocation plan will enhance the quality of the regents universities and provide both an incentive and an opportunity for university-wide reprioritization and reallocation of resources to the most important strategic areas.

(2) The funds shall be distributed by the board as outlined in the state board of regents partnership for transformation and excellence. The funds may be used for any of the following purposes:

(a) Supporting new strategic initiatives.

(b) Meeting enrollment increases.

(c) Meeting the demand for new courses and services.

(d) Funding new but unavoidable or mandated cost increases.

(e) Supporting any other initiatives important to the core functions of the university.

The funds may also be used for pay adjustments, expense reimbursements, and related benefits for state board of regents employees covered by a collective bargaining agreement and for state board of regents employees not covered by a collective bargaining agreement. The board shall provide from other available sources any additional funding needed for such pay adjustments, expense reimbursements, and related benefits.

(3) The state board of regents shall annually set a target dollar amount or percentage figure of expected reallocation of resources for each university. The universities shall report to the board on a semiannual basis regarding the actions taken relating to the reallocations. Once funds have been reallocated, that amount shall not be redirected to the original entity or purpose unless extraordinary circumstances exist and an equivalent reallocation amount is increased for the same fiscal year. A reallocation of resources may be made for any of the following purposes:

\* Item veto; see message at end of the Act

- (a) Supporting new strategic initiatives.
- (b) Meeting enrollment increases.
- (c) Meeting the demand for new courses and services.
- (d) Funding new but unavoidable or mandated cost increases.
- (e) Supporting any other initiatives important to the core functions of the university.

(4) For the purposes of this lettered paragraph:

(a) "Entity" means a president, vice president, or a college, academic or nonacademic department, division, program, or other unit.

(b) "Reallocation of resources" means funds within the base budget of a university entity are removed by the administrator of that entity and redirected to another university entity or purpose.

(5) The state university of Iowa, the Iowa state university of science and technology, and the university of northern Iowa shall each generate matching internal reallocations in an amount equal to 50 percent of the amounts received by the universities pursuant to this lettered paragraph.

(6) From the moneys allocated to the Iowa state university of science and technology pursuant to this lettered paragraph, an amount equal to \$127,000 shall be distributed to the college of veterinary medicine to reduce the operating fees charged by the veterinary diagnostic laboratory. If Iowa state university of science and technology fails to distribute funds to the college of veterinary science in accordance with this paragraph, the moneys shall revert to the general fund of the state. The Iowa state university of science and technology shall prepare a report on the operation of the veterinary diagnostic laboratory which shall include, but shall not be limited to, the following information:

(a) The current business structure of the veterinary diagnostic laboratory, along with a comparison to business structures of similar laboratories at other institutions of higher learning.

(b) Recent trends in fees for services charged by the veterinary diagnostic laboratory and by similar laboratories at other institutions of higher learning.

(c) The use of other funding sources, including state general fund appropriations for the veterinary diagnostic laboratory and a comparison to funding sources at similar laboratories at other institutions of higher learning.

(d) Recommendations for changes in the business structure and methods of funding for the veterinary diagnostic laboratory.

The report shall be submitted to the governor and the general assembly not later than October 1, 2005.

g. For funds to be distributed to the midwestern higher education compact to pay Iowa's member state annual obligation:

.....	\$	90,000
-------	----	--------

2. STATE UNIVERSITY OF IOWA

a. General university, including lakeside laboratory

For salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	220,131,572
.....	FTEs	5,058.55

It is the intent of the general assembly that the university continue progress on the school of public health and the public health initiative for the purposes of establishing an accredited school of public health and for funding an initiative for the health and independence of elderly Iowans.

b. University hospitals

For salaries, support, maintenance, equipment, and miscellaneous purposes and for medical and surgical treatment of indigent patients as provided in chapter 255, for medical education, and for not more than the following full-time equivalent positions:

.....	\$	27,284,584
.....	FTEs	6,877.34

(1) The university of Iowa hospitals and clinics shall, within the context of chapter 255 and when medically appropriate, make reasonable efforts to extend the university of Iowa hospitals and clinics' use of home telemedicine and other technologies to reduce the frequency of visits to the hospital required by the indigent patients.

(2) The university of Iowa hospitals and clinics shall submit quarterly a report regarding the portion of the appropriation in this lettered paragraph expended on medical education. The report shall be submitted in a format jointly developed by the university of Iowa hospitals and clinics, the legislative services agency, and the department of management, and shall delineate the expenditures and purposes of the funds.

(3) Funds appropriated in this lettered paragraph shall not be used to perform abortions except medically necessary abortions, and shall not be used to operate the early termination of pregnancy clinic except for the performance of medically necessary abortions. For the purpose of this lettered paragraph, an abortion is the purposeful interruption of pregnancy with the intention other than to produce a live-born infant or to remove a dead fetus, and a medically necessary abortion is one performed under one of the following conditions:

(a) The attending physician certifies that continuing the pregnancy would endanger the life of the pregnant woman.

(b) The attending physician certifies that the fetus is physically deformed, mentally deficient, or afflicted with a congenital illness.

(c) The pregnancy is the result of a rape which is reported within 45 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

(d) The pregnancy is the result of incest which is reported within 150 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

(e) The abortion is a spontaneous abortion, commonly known as a miscarriage, wherein not all of the products of conception are expelled.

(4) The total quota allocated to the counties for indigent patients for the fiscal year beginning July 1, 2005, shall not be lower than the total quota allocated to the counties for the fiscal year commencing July 1, 1998. The total quota shall be allocated among the counties on the basis of the 2000 census pursuant to section 255.16.

c. Psychiatric hospital

For salaries, support, maintenance, equipment, miscellaneous purposes, for the care, treatment, and maintenance of committed and voluntary public patients, and for not more than the following full-time equivalent positions:

.....	\$	7,043,056
.....	FTEs	269.65

d. Center for disabilities and development

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	6,363,265
.....	FTEs	130.37

From the funds appropriated in this lettered paragraph, \$200,000 shall be allocated for purposes of the employment policy group.

e. Oakdale campus

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,657,335
.....	FTEs	38.25

f. State hygienic laboratory

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	3,849,461
.....	FTEs	102.50

g. Family practice program

For allocation by the dean of the college of medicine, with approval of the advisory board, to qualified participants, to carry out chapter 148D for the family practice program, including salaries and support, and for not more than the following full-time equivalent positions:

.....	\$	2,075,948
.....	FTEs	190.40

h. Child health care services

For specialized child health care services, including childhood cancer diagnostic and treatment network programs, rural comprehensive care for hemophilia patients, and the Iowa high-risk infant follow-up program, including salaries and support, and for not more than the following full-time equivalent positions:

.....	\$	649,066
.....	FTEs	57.97

i. Statewide cancer registry

For the statewide cancer registry, and for not more than the following full-time equivalent positions:

.....	\$	178,739
.....	FTEs	2.10

j. Substance abuse consortium

For funds to be allocated to the Iowa consortium for substance abuse research and evaluation, and for not more than the following full-time equivalent position:

.....	\$	64,871
.....	FTEs	1.00

k. Center for biocatalysis

For the center for biocatalysis, and for not more than the following full-time equivalent positions:

.....	\$	881,384
.....	FTEs	6.28

l. Primary health care initiative

For the primary health care initiative in the college of medicine and for not more than the following full-time equivalent positions:

.....	\$	759,875
.....	FTEs	5.89

From the funds appropriated in this lettered paragraph, \$330,000 shall be allocated to the department of family practice at the state university of Iowa college of medicine for family practice faculty and support staff.

m. Birth defects registry

For the birth defects registry and for not more than the following full-time equivalent position:

.....	\$	44,636
.....	FTEs	1.00

3. IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

a. General university

For salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	173,269,729
.....	FTEs	3,647.42

It is the intent of the general assembly that the university continue progress on the center for excellence in fundamental plant sciences.

b. Agricultural experiment station

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	31,019,520
.....	FTEs	546.98

c. Cooperative extension service in agriculture and home economics

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	19,738,432
.....	FTEs	383.34

d. Leopold center

For agricultural research grants at Iowa state university under section 266.39B, and for not more than the following full-time equivalent positions:

.....	\$	464,319
.....	FTEs	11.25

e. Livestock disease research

For deposit in and the use of the livestock disease research fund under section 267.8:

.....	\$	220,708
-------	----	---------

4. UNIVERSITY OF NORTHERN IOWA

a. General university

For salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	77,831,821
.....	FTEs	1,398.01

It is the intent of the general assembly that the university continue to allocate funds for a masters in social work program, the roadside vegetation project, and the Iowa office for staff development.

b. Recycling and reuse center

For purposes of the recycling and reuse center, and for not more than the following full-time equivalent positions:

.....	\$	211,858
.....	FTEs	3.00

5. STATE SCHOOL FOR THE DEAF

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	8,810,471
.....	FTEs	126.60

6. IOWA BRAILLE AND SIGHT SAVING SCHOOL

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	4,930,295
.....	FTEs	81.00

7. TUITION AND TRANSPORTATION COSTS

For payment to local school boards for the tuition and transportation costs of students residing in the Iowa braille and sight saving school and the state school for the deaf pursuant to section 262.43 and for payment of certain clothing, prescription, and transportation costs for students at these schools pursuant to section 270.5:

.....	\$	15,020
-------	----	--------

Sec. 13. INSTITUTE FOR TOMORROW'S WORKFORCE. There is appropriated from the general fund of the state to the department of management for allocation to the institute for tomorrow's workforce created under chapter 7K, if enacted by this Act,<sup>3</sup> for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the activities of the institute created pursuant to section 7K.1, and subject to the matching fund requirement of that section, if enacted:<sup>4</sup>

.....	\$	250,000 <sup>5</sup>
-------	----	----------------------

<sup>3</sup> See §17 herein

<sup>4</sup> See §17 herein

<sup>5</sup> See chapter 179, §38 herein

Sec. 14. MEDICAL ASSISTANCE — SUPPLEMENTAL AMOUNTS. For the fiscal year beginning July 1, 2005, and ending June 30, 2006, the department of human services shall continue the supplemental disproportionate share and a supplemental indirect medical education adjustment applicable to state-owned acute care hospitals with more than 500 beds and shall reimburse qualifying hospitals pursuant to that adjustment with a supplemental amount for services provided medical assistance recipients. The adjustment shall generate supplemental payments intended to equal the state appropriation made to a qualifying hospital for treatment of indigent patients as provided in chapter 255. To the extent of the supplemental payments, a qualifying hospital shall, after receipt of the funds, transfer to the department of human services an amount equal to the actual supplemental payments that were made in that month. The aggregate amounts for the fiscal year shall not exceed the state appropriation made to the qualifying hospital for treatment of indigent patients as provided in chapter 255. The department of human services shall deposit these funds in the department's medical assistance account. To the extent that state funds appropriated to a qualifying hospital for the treatment of indigent patients as provided in chapter 255 have been transferred to the department of human services as a result of these supplemental payments made to the qualifying hospital, the department shall not, directly or indirectly, recoup the supplemental payments made to a qualifying hospital for any reason, unless an equivalent amount of the funds transferred to the department of human services by a qualifying hospital pursuant to this provision is transferred to the qualifying hospital by the department.

If the state supplemental amount allotted to the state of Iowa for the federal fiscal year beginning October 1, 2005, and ending September 30, 2006, pursuant to section 1923(f)(3) of the federal Social Security Act, as amended, or pursuant to federal payments for indirect medical education is greater than the amount necessary to fund the federal share of the supplemental payments specified in the preceding paragraph, the department of human services shall increase the supplemental disproportionate share or supplemental indirect medical education adjustment by the lesser of the amount necessary to utilize fully the state supplemental amount or the amount of state funds appropriated to the state university of Iowa general education fund and allocated to the university for the college of medicine. The state university of Iowa shall transfer from the allocation for the college of medicine to the department of human services, on a monthly basis, an amount equal to the additional supplemental payments made during the previous month pursuant to this paragraph. A qualifying hospital receiving supplemental payments pursuant to this paragraph that are greater than the state appropriation made to the qualifying hospital for treatment of indigent patients as provided in chapter 255 shall be obligated as a condition of its participation in the medical assistance program to transfer to the state university of Iowa general education fund on a monthly basis an amount equal to the funds transferred by the state university of Iowa to the department of human services. To the extent that state funds appropriated to the state university of Iowa and allocated to the college of medicine have been transferred to the department of human services as a result of these supplemental payments made to the qualifying hospital, the department shall not, directly or indirectly, recoup these supplemental payments made to a qualifying hospital for any reason, unless an equivalent amount of the funds transferred to the department of human services by the state university of Iowa pursuant to this paragraph is transferred to the qualifying hospital by the department.

Continuation of the supplemental disproportionate share and supplemental indirect medical education adjustment shall preserve the funds available to the university hospital for medical and surgical treatment of indigent patients as provided in chapter 255 and to the state university of Iowa for educational purposes at the same level as provided by the state funds initially appropriated for that purpose.

The department of human services shall, in any compilation of data or other report distributed to the public concerning payments to providers under the medical assistance program, set forth reimbursements to a qualifying hospital through the supplemental disproportionate share and supplemental indirect medical education adjustment as a separate item and shall

not include such payments in the amounts otherwise reported as the reimbursement to a qualifying hospital for services to medical assistance recipients.

For purposes of this section, “supplemental payment” means a supplemental payment amount paid for medical assistance to a hospital qualifying for that payment under this section.<sup>6</sup>

Sec. 15. For the fiscal year beginning July 1, 2005, and ending June 30, 2006, the state board of regents may use notes, bonds, or other evidences of indebtedness issued under section 262.48 to finance projects that will result in energy cost savings in an amount that will cause the state board to recover the cost of the projects within an average of six years.

Sec. 16. Notwithstanding section 270.7, the department of administrative services shall pay the state school for the deaf and the Iowa braille and sight saving school the moneys collected from the counties during the fiscal year beginning July 1, 2005, for expenses relating to prescription drug costs for students attending the state school for the deaf and the Iowa braille and sight saving school.

Sec. 17. NEW SECTION. 7K.1 INSTITUTE FOR TOMORROW'S WORKFORCE.

1. FINDINGS. The general assembly finds that Iowa's children are this state's greatest asset and to improve the future for Iowa's children, it is necessary to focus elementary, secondary, and postsecondary education efforts on what children need to know to be successful students and successful participants in Iowa's global workforce. Iowa's state community and business leaders are at the forefront of this ongoing conversation. The general assembly further finds that the creation of an institute for tomorrow's workforce provides a long-term forum for bold, innovative recommendations to improve Iowa's education system to meet the workforce needs of Iowa's new economy.

2. FOUNDATION CREATED — DUTIES. There is created a public body corporate and politic to be known as the “institute for tomorrow's workforce, an educational foundation”. The foundation is an independent nonprofit quasi-public instrumentality and the exercise of the powers granted to the foundation as a corporation in this chapter is an essential government function. As used in this chapter, “foundation” means the “institute for tomorrow's workforce, an educational foundation”. The foundation shall, at a minimum, do the following:

a. Review educational standards to determine relevance and rigor necessary for continuous improvement in student achievement and meeting workforce needs.

b. Identify jobs skills and corresponding high school coursework necessary to achieve success in the Iowa workforce.

c. Review the state's education accountability measures, including but not limited to student proficiency and individual and organization program accountability.

d. Identify state and local barriers to improved student achievement and student success as well as barriers to sharing among and within all areas of Iowa's education system.

e. Identify effective education structure and delivery models that promote optimum student achievement opportunities for all Iowa students that include, but are not limited to, the role of technology.

f. Serve as a clearinghouse for existing and emerging innovative educational sharing and collaborative efforts among and between Iowa's secondary education system as well as Iowa's postsecondary education system.

g. Promote partnerships between private sector business and all areas of Iowa's education system.

h. Promote partnerships between other Iowa governance structures including, but not limited to, cities and counties, and all areas of Iowa's education system.

i. Identify ways to reduce the achievement gap between white and non-white, non-Asian students.

j. The board of directors of the foundation, within the limits of the funds available to the foundation, shall do the following:

<sup>6</sup> See chapter 167, §66 herein

- (1) Employ an executive director to direct the activities of the foundation.
  - (2) Execute contracts with public and private agencies to conduct research and development activities.
  - (3) Perform functions necessary to carry out the purposes of the foundation.
3. MEMBERSHIP. The board of directors of the foundation shall consist of fifteen members serving staggered three-year terms beginning on May 1 of the year of appointment who shall be appointed as follows:
- a. Five members shall be appointed by the governor as follows:
    - (1) A school district superintendent from a school district with enrollment of one thousand one hundred forty-nine or fewer pupils.
    - (2) An individual representing an Iowa business employing more than two hundred fifty employees.
    - (3) A community college president.
    - (4) An individual representing labor and workforce interests.
    - (5) An individual representing an Iowa agriculture association.
  - b. Five members shall be appointed by the speaker of the house of representatives as follows:
    - (1) An individual representing the area education agencies.
    - (2) The president of an accredited private institution as defined in section 261.9.
    - (3) An individual representing an Iowa business employing more than fifty employees but not more than two hundred fifty employees.
    - (4) An individual representing urban economic development interests.
    - (5) An individual from an association representing Iowa businesses.
  - c. Five members shall be appointed by the president of the senate as follows:
    - (1) A school district superintendent from a school district with an enrollment of more than one thousand one hundred forty-nine pupils.
    - (2) A president of an institution of higher education under the control of the state board of regents.
    - (3) An individual representing an Iowa business employing fifty or fewer employees.
    - (4) An individual representing rural economic development interests.
    - (5) An individual representing a business that established itself in Iowa on or after July 1, 1999.

Members, except as provided in paragraph “c”, subparagraph (2), shall not be employed by the state. One co-chairperson shall be appointed by the speaker of the house of representatives and one co-chairperson shall be appointed by the president of the senate.

4. MATCHING FUNDS REQUIREMENT. Moneys appropriated by the general assembly for purposes of the foundation shall be allocated only to the extent that the state moneys are matched from other sources by the foundation on a dollar-for-dollar basis.

5. REPORTING REQUIREMENTS. The foundation shall submit its findings and recommendations by January 15 annually in a report to the governor, the speaker of the house of representatives, the president of the senate, the state board of education, the state board of regents, the department of workforce development, the department of economic development, the Iowa association of community college trustees, the college student aid commission, the Iowa association of independent colleges and universities, and associations representing school boards, nonpublic schools, area education agencies, and teachers. The report shall include an accounting of the revenues and expenditures of the foundation.

6. This chapter is repealed effective July 1, 2015.

Sec. 18. Section 256.9, Code 2005, is amended by adding the following new subsection:  
**NEW SUBSECTION.** 53. Develop and make available to school districts, examples of age-appropriate materials and lists of resources which parents may use to teach their children to recognize unwanted physical and verbal sexual advances, to not make unwanted physical and verbal sexual advances, to effectively reject unwanted sexual advances, that it is wrong to take advantage of or exploit another person, and about counseling, medical, and legal resources

available to survivors of sexual abuse and sexual assault, including resources for escaping violent relationships. The materials and resources shall cover verbal, physical, and visual sexual harassment, including nonconsensual sexual advances, and nonconsensual physical sexual contact. In developing the materials and resource list, the director shall consult with entities that shall include, but not be limited to, the departments of human services, public health, and public safety, education stakeholders, and parent-teacher organizations. School districts shall provide age-appropriate materials and a list of available community and web-based resources to parents at registration and shall also include the age-appropriate materials and resource list in the student handbook. School districts are encouraged to work with their communities to provide voluntary parent education sessions to provide parents with the skills and appropriate strategies to teach their children as described in this subsection. School districts shall incorporate the age-appropriate materials into relevant curricula and shall reinforce the importance of preventive measures when reasonable with parents and students.

*\*Sec. 19. NEW SECTION. 256.24 VALUE-ADDED ASSESSMENT SYSTEM.*

*1. A value-added assessment system shall be established by the department to provide for multivariate longitudinal analysis of annual student test scores to determine the influence of a school district's educational program on student academic growth and to guide school district improvement efforts. The department shall select a value-added assessment system provider through a request for proposals process. The system provider selected by the department shall offer a value-added assessment system to calculate annually the academic growth of each student enrolled in grade levels three through eleven and tested in accordance with this section, and shall, at a minimum, meet all of the following criteria:*

*a. Use a mixed-model statistical analysis that has the ability to use all achievement test data for each student, including the data for students with missing test scores, that does not adjust downward expectations for student progress based on race, poverty, or gender, and that will provide the best linear unbiased predictions of school or other educational entity effects to minimize the impact of fortuitous accumulation of random errors.*

*b. Have the ability to work with test data from a variety of sources, including data that are not vertically scaled, and to provide support for school districts utilizing the system.*

*c. Have the capacity to receive and report results electronically and provide support for districts utilizing the system.*

*d. Have the ability to create for each school district a chart that reports grade-equivalent scores for grades three through eight and gains between consecutive pairs of grades for each attendance center and that provides for a district-wide study of grade-equivalent scores.*

*2. Annually, each school district that administers the Iowa test of basic skills or the Iowa test of educational development shall, within thirty days of receiving the test scores from the American college testing program, inc., submit the test scores for each attendance center within the school district and each grade level tested, from grades three through eleven, to the system provider selected pursuant to subsection 1. School districts may submit additional assessment data for analysis and inclusion in reports provided to school districts pursuant to subsection 3, to the extent that the assessment meets the criteria for valid academic progress interpretation specified by the system provider.*

*3. The system provider shall provide analysis to school districts submitting test scores pursuant to subsection 2, and to the department of education. The analysis shall include, but not be limited to, attendance-center-level test results for the Iowa test of basic skills in the areas of reading and mathematics and other core academic areas when possible. The analysis shall also include, but not be limited to, the number of students tested, the number of test results used to compute the averages, the average standard score, the corresponding grade equivalent score, the average stanine score for the group, the normal curve equivalent of average standard scores, and percentile ranks based on student norms, as well as measures of student progress. The system provider shall create a chart for each school district in accordance with the criteria set forth in subsection 1, paragraphs "a" through "d".*

*4. Each school district shall have complete access to and full utilization of its own value-*

*\* Item veto; see message at end of the Act*

*added assessment reports and charts generated by the system provider at the student level for the purpose of measuring student achievement at different educational entity levels.*

*5. Student academic growth determined pursuant to this section shall not be used in teacher evaluation and shall not be published if individual teacher effects can be surmised.*

*6. Information about student academic growth may be used by the school district, including school board members, administration, and staff, for defining student and district learning goals and professional development related to student learning goals across the school district. A school district may submit its academic growth measures in the annual report submitted pursuant to section 256.7, subsection 21, and may reference in the report state level norms for purposes of demonstrating school district performance. However, unless a school district chooses to submit its academic measures in the annual report submitted pursuant to section 256.7, such measures are not public records for the purposes of chapter 22.*

*7. The department may use student academic progress data to determine school improvement and technical assistance needs of school districts, and to identify school districts achieving exceptional gains. Beginning January 15, 2006, and by January 15 of each succeeding year, the department shall submit an annual progress report regarding the use of student academic growth information in the school improvement processes to the house and senate education committees and shall publish the progress report on its internet web site.*

*8. The department is encouraged to advocate that the United States department of education allow reporting of student academic progress as an additional valid measure of school performance, as an alternative for meeting federal safe harbor provisions, and for establishing statewide progress under the federal No Child Left Behind Act of 2001, Pub. L. No. 107-110, and any federal regulations adopted pursuant to the federal Act.*

*9. A school district shall use the value-added assessment system established by the department pursuant to subsection 1 not later than the school year ending June 30, 2007. However, the director of educational services of an area education agency may grant a request made by a board of directors of a school district located within the boundaries of the area education agency stating its desire to use an alternative system to compute and report value-added scores that is statistically valid and reliable.\**

Sec. 20. Section 256.44, subsection 1, paragraph a, Code 2005, is amended to read as follows:

a. If a teacher registers for national board for professional teaching standards certification prior to June 30, ~~2005~~ 2006, a one-time initial reimbursement award in the amount of up to one-half of the registration fee paid by the teacher for registration for certification by the national board for professional teaching standards. The teacher shall apply to the department of education within one year of registration, submitting to the department any documentation the department requires. A teacher who receives an initial reimbursement award shall receive a one-time final registration award in the amount of the remaining national board registration fee paid by the teacher if the teacher notifies the department of the teacher's certification achievement and submits any documentation requested by the department.

Sec. 21. Section 256.44, subsection 1, paragraph b, subparagraph (2), Code 2005, is amended to read as follows:

(2) If the teacher registers for national board for professional teaching standards certification between January 1, 1999, and January 1, ~~2005~~ 2006, and achieves certification within three years from the date of initial score notification, an annual award in the amount of two thousand five hundred dollars upon achieving certification by the national board of professional teaching standards.

Sec. 22. Section 257B.1B, subsection 1, Code 2005, is amended to read as follows:

1. ~~Fifty-five~~ For the fiscal year beginning July 1, 2004, and each succeeding fiscal year, ~~fifty-five~~ percent of the moneys deposited in the fund to the department of education for allocation

\* Item veto; see message at end of the Act

to the Iowa reading recovery center council to assist school districts in developing reading recovery and literacy programs. The Iowa reading recovery council shall use the area education agency unified budget as its fiscal agent for grant moneys and for other moneys administered by the council.

Sec. 23. Section 260C.2, Code 2005, is amended by adding the following new subsection: NEW SUBSECTION. 1A. "Department" means the department of education.

Sec. 24. NEW SECTION. 260C.18C STATE AID DISTRIBUTION FORMULA.

1. PURPOSE. A distribution plan for general state financial aid to Iowa's community colleges is established for the fiscal year commencing July 1, 2005, and succeeding fiscal years. Funds appropriated by the general assembly to the department for general financial aid to community colleges shall be allocated to each community college in the manner provided under this section.

2. DEFINITIONS. As used in this section, unless the context otherwise requires:

a. "Base funding allocation" means the amount of general state financial aid all community colleges received in the base year.

b. "Base year" means the fiscal year immediately preceding the budget year.

c. "Below-average support per FTEE" for a community college means the state-average combined support per FTEE minus the combined support per FTEE for the community college if the community college's combined support per FTEE is less than the state-average combined support per FTEE.

d. "Budget year" means the fiscal year for which moneys are appropriated by the general assembly.

e. "Combined support" for a community college means the total amount of moneys the community college received in general state financial aid in the base year plus the community college's general fund property tax revenue, including utility replacement, for the base year.

f. "Combined support per FTEE" for a community college means the community college's combined support divided by its three-year rolling average full-time equivalent enrollment for the three years prior to the base year.

g. "Contact hour" for a noncredit course equals fifty minutes of contact between an instructor and students in a scheduled course offering for which students are registered.

h. "Credit hour", for purposes of community college funding distribution, shall be as defined by the department by rule.

i. "Eligible credit courses" means all credit courses that are eligible for general state financial aid which are part of a department-approved program of study. The department shall review and provide a determination should a question of eligibility occur.

j. "Eligible growth support" for a community college is the community college's below-average support per FTEE multiplied times its three-year rolling average full-time equivalent enrollment.

k. "Eligible noncredit courses" means all noncredit courses eligible for general state financial aid which fall under one of the eligible categories for noncredit courses as defined by rule of the department. The department shall review and provide a determination should a question of eligibility occur.

l. "Eligible student" means a student enrolled in eligible credit or eligible noncredit courses. The department shall review and provide a determination should a question of eligibility occur.

m. "Fiscal year" means the period of twelve months beginning on July 1 and ending on June 30.

n. One "full-time equivalent enrollment (FTEE)" equals twenty-four credit hours for credit courses or six hundred contact hours for noncredit courses generated by all eligible students enrolled in eligible courses.

o. "General fund property tax revenue" means the amount of moneys a community college raised or could have raised from a property tax of twenty and one-fourth cents per thousand

dollars of assessed valuation on all taxable property in its merged area collected for the base year.

p. "General state financial aid" means the amount of general state financial aid the community college received from the general fund.

q. "Inflation adjustment amount" means the inflation rate minus two percentage points multiplied times the base funding allocation. The inflation adjustment amount shall not be less than zero.

r. "Inflation rate" means the average of the preceding twelve-month percentage change, which shall be computed on a monthly basis, in the consumer price index for all urban consumers, not seasonally adjusted, published by the United States department of labor, bureau of labor statistics, calculated for the calendar year ending six months after the beginning of the base year.

s. "State-average combined support per FTEE" means the average of the combined support per FTEE for all community colleges in the state in the base year.

t. "Three-year rolling average full-time equivalent enrollment" means the average of the audited full-time equivalent enrollment for a community college over the three fiscal years prior to the base year as determined by the department.

u. "Total growth support amount" means the sum of the eligible growth support for all the community colleges.

3. DISTRIBUTION FORMULA. Moneys appropriated by the general assembly from the general fund to the department for community college purposes for general state financial aid for a budget year shall be allocated to each community college by the department as follows:

a. If the inflation rate is equal to two percent or less:

(1) BASE FUNDING ALLOCATION. The moneys shall first be allocated in the amount of general state financial aid each community college received in the base year. If the appropriation is less than the total of the amount of general state financial aid each community college received in the base year, the moneys shall be allocated in the same proportion as the allocation of general state financial aid each community college received in the base year.

(2) MARGINAL COST ADJUSTMENT. After the base funding has been allocated, each community college shall be allocated up to an additional two percent of its base funding allocation. The community college's allocation shall be in the same proportion as the allocation of general state financial aid each community college received in the base year.

(3) THREE-YEAR ROLLING AVERAGE OF FULL-TIME EQUIVALENT ENROLLMENT. If the increase in the total state general aid exceeds two percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(4) EXTRAORDINARY GROWTH ADJUSTMENT. If the increase in total state general aid exceeds three percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be distributed as follows:

(a) Forty percent of the moneys shall be allocated based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(b) Sixty percent of the moneys shall be allocated to community colleges that have eligible growth support. The allocation shall be based upon the proportional share that each community college's eligible growth support bears to the total growth support amount. Once the moneys allocated under this subparagraph subdivision equal the total growth support amount, the remaining moneys allocated under this subparagraph shall be allocated as provided in subparagraph subdivision (a).

(5) ADDITIONAL THREE-YEAR ROLLING AVERAGE FTEE ALLOCATION. If the increase in total state general aid exceeds four percent over the base funding allocation, all remaining moneys shall be distributed based upon each college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

b. If the inflation rate is greater than two percent but less than four percent:

(1) **BASE FUNDING ALLOCATION.** The moneys shall first be allocated in the amount of general state financial aid each community college received in the base year. If the appropriation is less than<sup>7</sup> the total of the amount of general state financial aid each community college received in the base year, the moneys shall be allocated in the same proportion as the allocation of general state financial aid each community college received in the base year.

(2) **MARGINAL COST ADJUSTMENT.** After the base funding has been allocated, each community college shall be allocated up to an additional two percent of its base funding allocation. The community college's allocation shall be in the same proportion as the allocation of general state financial aid each community college received in the base year.

(3) **THREE-YEAR ROLLING AVERAGE OF FULL-TIME EQUIVALENT ENROLLMENT.** If the increase in the total state general aid exceeds two percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(4) **EXTRAORDINARY GROWTH ADJUSTMENT.** If the increase in total state general aid exceeds three percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be based as follows:

(a) Forty percent of the moneys shall be allocated based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(b) Sixty percent of the moneys shall be allocated to community colleges that have eligible growth support. The allocation shall be based upon the proportional share that each community college's eligible growth support bears to the total growth support amount. Once the moneys allocated under this subparagraph subdivision equal the total growth support amount, the remaining moneys allocated under this subparagraph shall be allocated as provided in subparagraph subdivision (a).

(5) **INFLATION ADJUSTMENT.** If the increase in total state general aid exceeds four percent over the base funding allocation, an amount up to the inflation adjustment amount shall be distributed to each community college in the same proportion as the allocation of general state financial aid each community college received in the base year.

(6) **ADDITIONAL THREE-YEAR ROLLING AVERAGE FTEE ALLOCATION.** If there are remaining moneys to be distributed under this paragraph after distributing moneys under subparagraph (5), all remaining moneys shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

c. If the inflation rate equals or exceeds four percent:

(1) **BASE FUNDING ALLOCATION.** The moneys shall first be allocated in the amount of general state financial aid each community college received in the base year. If the appropriation is less than the total of the amount of general state financial aid each community college received in the base year, the moneys shall be allocated in the same proportion as the allocation of general state financial aid each community college received in the base year.

(2) **MARGINAL COST ADJUSTMENT.** After the base funding has been allocated, each community college shall be allocated up to an additional two percent of its base funding allocation. The community college's allocation shall be in the same proportion as the allocation of general state financial aid each community college received in the base year.

(3) **THREE-YEAR ROLLING AVERAGE OF FULL-TIME EQUIVALENT ENROLLMENT.** If the increase in the total state general aid exceeds two percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(4) **INFLATION ADJUSTMENT.** If the increase in total state general aid exceeds three percent over the base funding allocation, an amount up to the inflation adjustment amount shall be distributed to each community college in the same proportion as the allocation of general state financial aid each community college received in the base year.

<sup>7</sup> According to enrolled Act

(5) EXTRAORDINARY GROWTH ADJUSTMENT. If there are remaining moneys to be distributed under this paragraph after distributing moneys under subparagraph (4), an amount up to an additional one percent of the base funding allocation shall be based as follows:

(a) Forty percent of the moneys shall be allocated based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(b) Sixty percent of the moneys shall be allocated to community colleges that have eligible growth support. The allocation shall be based upon the proportional share that each community college's eligible growth support bears to the total growth support amount. Once the moneys allocated under this subparagraph subdivision equals the total growth support amount, the remaining moneys allocated under this subparagraph shall be allocated as provided in subparagraph subdivision (a).

(6) ADDITIONAL THREE-YEAR ROLLING AVERAGE FTEE ALLOCATION. If there are remaining moneys to be distributed under this paragraph after distributing moneys under subparagraph (5), all remaining moneys shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

4. INFORMATION SUPPLIED BY COLLEGES AND ADOPTION OF RULES.

a. Each community college shall provide information in the manner and form as determined by the department. If a community college fails to provide the information as requested, the department shall estimate the full-time equivalent enrollment of that college.

b. Each community college shall complete and submit an annual student enrollment audit to the department. Adjustments to community college state general aid allocations shall be made based on student enrollment audit outcomes.

c. The department shall adopt rules under chapter 17A as necessary for the allocation of general state financial aid.

Sec. 25. Section 261.9, subsection 1, paragraph b, Code 2005, is amended to read as follows:

b. Is accredited by the north central association of colleges and secondary schools accrediting agency based on their requirements, is exempt from taxation under section 501(c)(3) of the Internal Revenue Code, and annually provides a matching aggregate amount of institutional financial aid equal to at least seventy-five percent of the amount received in a fiscal year by the institution's students for Iowa tuition grant assistance under this chapter. Commencing with the fiscal year beginning July 1, 2005 2006, the matching aggregate amount of institutional financial aid shall increase by the percentage of increase each fiscal year of funds appropriated for Iowa tuition grants under section 261.25, subsection 1, to a maximum match of one hundred percent. The institution shall file annual reports with the commission prior to receipt of tuition grant moneys under this chapter. An institution whose income is not exempt from taxation under section 501(c) of the Internal Revenue Code and whose students were eligible to receive Iowa tuition grant money in the fiscal year beginning July 1, 2003, shall meet the match requirements of this paragraph no later than June 30, 2005.

Sec. 26. Section 261.25, subsection 1, Code 2005, is amended to read as follows:

1. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of ~~forty-seven~~ forty-nine million ~~one~~ six hundred ~~fifty-seven~~ seventy-three thousand five hundred ~~fifteen~~ seventy-five dollars for tuition grants. From the funds appropriated in this subsection, ~~not more than three million four hundred thousand dollars may be distributed to~~ an amount equal to ten percent of the funds appropriated in this subsection shall be reserved for distribution to students attending private institutions whose income is not exempt from taxation under section 501(c) of the Internal Revenue Code and whose students were eligible to receive Iowa tuition grant moneys in the fiscal year beginning July 1, 2003. A for-profit institution which, effective March 9, 2005, purchased an accredited private institution that was exempt from taxation under section 501(c) of the Internal Revenue Code, shall be an eligible

institution under the Iowa tuition grant program. In the case of a qualified student who was enrolled in such accredited private institution that was purchased by the for-profit institution effective March 9, 2005, and who continues to be enrolled in the eligible institution in succeeding years, the amount the student qualifies for under this subsection shall be not less than the amount the student qualified for in the fiscal year beginning July 1, 2004.

Sec. 27. Section 261.25, subsection 2, Code 2005, is amended by striking the subsection.

Sec. 28. NEW SECTION. 272.29 ANNUAL ADMINISTRATIVE RULES REVIEW.

The executive director shall annually review the administrative rules adopted pursuant to this chapter and related state laws. The executive director shall annually submit the executive director's findings and recommendations in a report to the board and the chairpersons and ranking members of the senate and house standing committees on education and the joint appropriations subcommittee on education by January 15.

Sec. 29. Section 284.4, subsection 1, paragraph c, Code 2005, is amended to read as follows:

c. Provide, beginning in the fifth year of participation, the equivalent of ~~two~~ one additional contract ~~days~~ day, outside of instruction time, than ~~were~~ was provided in the school year preceding the first year of participation, to provide additional time for teacher career development that aligns with student learning and teacher development needs, including the integration of technology into curriculum development, in order to achieve attendance center and district-wide student achievement goals outlined in the district comprehensive school improvement plan. School districts are encouraged to develop strategies for restructuring the school calendar to provide for the most effective professional development, evaluate their current career development alignment with their student achievement goals and research-based instructional strategies, and implement district career development plans. A school district that provides the equivalent of ten or more contract days for career development is exempt from this paragraph.

Sec. 30. Section 284.13, subsection 1, paragraphs a, d, and i, Code 2005, are amended by striking the paragraphs.

Sec. 31. Section 284.13, subsection 1, paragraphs b and c, Code 2005, are amended to read as follows:

b. For the fiscal year beginning July 1, 2004 ~~2005~~, and ending June 30, 2005 ~~2006~~, to the department of education, the amount of ~~one~~ two million ~~one hundred thousand~~ dollars for the issuance of national board certification awards in accordance with section 256.44. *\*From the moneys allocated to the department pursuant to this paragraph, up to five thousand dollars shall be used for purposes of conducting a study of the impact the national board for professional teaching standards certification of Iowa's teachers has on student achievement and the advisability of continuing state funding pursuant to section 256.44. The department shall submit its findings and recommendations to the chairpersons and ranking members of the house and senate committees on education and the chairpersons and ranking members of the joint appropriations subcommittee on education by January 15, 2006.\**

c. For the fiscal year beginning July 1, 2004 ~~2005~~, and succeeding fiscal years, an amount up to ~~three~~ four million ~~five~~ two hundred thousand dollars for first-year and second-year beginning teachers, to the department of education for distribution to school districts for purposes of the beginning teacher mentoring and induction programs. A school district shall receive one thousand three hundred dollars per beginning teacher participating in the program. If the funds appropriated for the program are insufficient to pay mentors and school districts as provided in this paragraph, the department shall prorate the amount distributed to school districts based upon the amount appropriated. Moneys received by a school district pursuant to this paragraph shall be expended to provide each mentor with an award of five hundred dol-

\* Item veto; see message at end of the Act

lars per semester, at a minimum, for participation in the school district's beginning teacher mentoring and induction program; to implement the plan; and to pay any applicable costs of the employer's share of contributions to federal social security and the Iowa public employees' retirement system or a pension and annuity retirement system established under chapter 294, for such amounts paid by the district.

Sec. 32. Section 284.13, subsection 1, paragraph e, Code 2005, is amended to read as follows:

e. For the fiscal year beginning July 1, 2004 ~~2005~~, and ending June 30, ~~2005~~ 2006, up to ~~two~~ four hundred fifty ~~eighty-five~~ thousand dollars to the department of education for purposes of implementing the career development program requirements of section 284.6, ~~and the review panel requirements of section 284.9, and the evaluator training program in section 284.10.~~ From the moneys allocated to the department pursuant to this paragraph, not less than ~~seventy-five~~ ten thousand dollars shall be used to ~~administer the ambassador to education position in accordance with section 256.45~~ distributed to the board of educational examiners for purposes of convening an educator licensing review working group. ~~From the moneys allocated to the department pursuant to this paragraph, not less than eighty-five thousand dollars shall be used to administer the ambassador to education position in accordance with section 256.45.~~ A portion of the funds allocated to the department for purposes of this paragraph may be used by the department for administrative purposes. Notwithstanding section 8.33, moneys allocated for purposes of this paragraph prior to July 1, 2004, which remain unobligated or unexpended at the end of the fiscal year for which the moneys were appropriated, shall remain available for expenditure for the purposes for which they were allocated, for the fiscal year beginning July 1, 2004, and ending June 30, 2005.

Sec. 33. Section 284.13, subsection 1, Code 2005, is amended by adding the following new paragraphs before paragraph h:

NEW PARAGRAPH. ga. For the fiscal year beginning July 1, 2005, and ending June 30, 2006, up to ten million dollars to the department of education for use by school districts to add one additional teacher contract day to the school calendar. The department shall distribute funds allocated for the purpose of this paragraph based on the average per diem contract salary for each district as reported to the department for the school year beginning July 1, 2004, multiplied by the total number of full-time equivalent teachers in the base year. The department shall adjust each district's average per diem salary by the allowable growth rate established under section 257.8 for the fiscal year beginning July 1, 2005. The contract salary amount shall be the amount paid for their regular responsibilities but shall not include pay for extracurricular activities. A school district shall submit a report to the department in a manner determined by the department describing its use of the funds received under this paragraph. The department shall submit a report on school district use of the moneys distributed pursuant to this paragraph to the chairpersons and ranking members of the house and senate standing committees on education, the joint appropriations subcommittee on education, and the legislative services agency not later than January 15, 2006.

NEW PARAGRAPH. gb. For the fiscal year beginning July 1, 2005, and ending June 30, 2006, up to six million six hundred twenty-five thousand dollars to the department of education for use by school districts for either salaries or professional development, or both, as determined by the school district. Funds received by a school district for purposes of this paragraph shall be distributed using the formula provided in paragraph "f" and are subject to the provisions of section 284.7, subsection 6. A school district shall submit a report to the department in a manner determined by the department describing its use of the funds received under this paragraph. The department shall submit a report on school district use of the funds distributed pursuant to this paragraph to the chairpersons and ranking members of the house and senate standing committees on education, the joint appropriations subcommittee on education, and the legislative services agency not later than January 15, 2006.

*\*NEW PARAGRAPH.* gc. For the fiscal year beginning July 1, 2005, and succeeding fiscal

\* Item veto; see message at end of the Act

years, up to one million dollars to the department of education for purposes of the value-added assessment system established pursuant to section 256.24. The department shall allocate the moneys to school districts based upon the percentage of the budget enrollment of each school district for the fiscal year beginning July 1, 2004, compared to the budget enrollment of all school districts in the state for the fiscal year beginning July 1, 2004. The department shall distribute the moneys to a school district upon demonstration by the school district to the department that the school district agrees to participate in a qualified value-added assessment system.\*

Sec. 34. Section 301.1, subsection 2, Code 2005, is amended to read as follows:

2. Textbooks adopted and purchased by a school district shall, to the extent funds are appropriated by the general assembly, be made available to pupils attending accredited nonpublic schools upon request of the pupil or the pupil's parent under comparable terms as made available to pupils attending public schools. If the general assembly appropriates moneys for purposes of making textbooks available to accredited nonpublic school pupils, the department of education shall ascertain the amount available to a school district for the purchase of nonsectarian, nonreligious textbooks for pupils attending accredited nonpublic schools. The amount shall be in the proportion that the basic enrollment of a participating accredited nonpublic school bears to the sum of the basic enrollments of all participating accredited nonpublic schools in the state for the budget year. For purposes of this section, a "participating accredited nonpublic school" means an accredited nonpublic school that submits a written request on behalf of the school's pupils in accordance with this subsection, and that certifies its actual enrollment to the department of education by October 1, annually. By October 15, annually, the department of education shall certify to the director of the department of administrative services the annual amount to be paid to each school district, and the director of the department of administrative services shall draw warrants payable to school districts in accordance with this subsection. For purposes of this subsection, an accredited nonpublic school's enrollment count shall include only students who are residents of Iowa. The costs of providing textbooks to accredited nonpublic school pupils as provided in this subsection shall not be included in the computation of district cost under chapter 257, but shall be shown in the budget as an expense from miscellaneous income. Textbook expenditures made in accordance with this subsection shall be kept on file in the school district. In the event that a participating accredited nonpublic school physically relocates to another school district, textbooks purchased for the nonpublic school with funds appropriated for purposes of this chapter shall be transferred to the school district in which the nonpublic school has relocated and may be made available to the nonpublic school. Funds distributed to a school district for purposes of purchasing textbooks in accordance with this subsection which remain unexpended and available for the purchase of textbooks for the nonpublic school that relocated in the fiscal year in which the funds were distributed shall also be transferred to the school district in which the nonpublic school has relocated.

Sec. 35. EFFECTIVE DATE. The section of this Act that amends section 257B.1B, being deemed of immediate importance, takes effect upon enactment.

*Approved June 6, 2005, with noted exceptions.*

THOMAS J. VILSACK, Governor

Dear Mr. Secretary:

I hereby transmit House File 816, an Act relating to the funding of, the operation of, and appropriation of moneys to the College Student Aid Commission, the Department for the Blind, the

\* Item veto; see message at end of the Act

Department of Cultural Affairs, the Department of Education, and the State Board of Regents and providing an effective date.

During my Condition of the State address in January, I asked the Legislature to seize an historic opportunity to work together as one — no Republican agenda, no Democrat agenda, only one shared agenda — an Iowa agenda. Today we can be proud that we started with education. Our children deserve and need a world-class education that prepares them for the challenge of global competition. Our children need the best if they hope to succeed with that competition and in life.

The best legislative efforts at the Iowa State Capitol occur when people work together. Clearly, no other issue facing Iowa is as important as education. The cornerstone of our society, education has received its rightful attention in recent years. Despite sluggish revenue growth, legislators and the Executive Branch have endeavored to improve student achievement, tie that achievement to teacher pay and reduce class sizes. This year marks the first significant infusion of dollars into the Student Achievement/Teacher Quality program since its inception. Teachers' salaries will move from 39th to 35th as a result with increased dollars flowing to local districts to support the continued development of classroom teachers' skills — the hallmark of the original program design.

Continuing opportunity in our outstanding community college and regents system is critical to our state's economic future. Increased funding will allow higher education in Iowa to remain both high-quality and affordable. At the same time, we support the transformational process being undertaken by the Board of Regents with a significant investment of state resources and increase support to community colleges that signifies the value of educational opportunity provided by our great community college system throughout the state.

This bill increases funding to all sectors of education and gives our children every opportunity for success by ensuring our earliest learners get a strong start by making a significant down payment on an early care, health and education system for our youngest Iowans. More children will have access to high quality programs, more parents will receive education and support, and more children will be ready to succeed in school.

House File 816 is approved on this date, with the following exceptions which I hereby disapprove:

I am unable to approve the item designated as Section 9 in its entirety. This section requires the Board of Educational Examiners to convene a working group to review current teacher and administrator preparation and licensing processes and make recommendations for improvement. Given that the Legislature failed to provide adequate funding for the Board of Educational Examiners it is inadvisable to add additional responsibilities to the Board at this time.

I am unable to approve the designated portion of Section 12, subsection 1, paragraph a, first unnumbered paragraph in its entirety. This sentence specifies that the Board of Regents, the Department of Management and the Legislative Services Agency shall cooperate to determine the amount to be appropriated for tuition replacement. This language is outdated and unnecessary as the Board of Regents now relies on a financial advisor to calculate figures for tuition replacement.

I am unable to approve the item designated as Section 19 in its entirety. Section 19 directs the Department of Education to establish a value-added assessment system to provide for multivariate longitudinal analysis of annual student test scores to determine the influence of a school district's education program on student academic growth. The creation of a value-added assessment system is redundant and unnecessary in light of the assessment models that

Iowa school districts have already implemented for continuous school improvement programs and to meet the requirements of the federal No Child Left Behind statute. Implementing this new system could have long-range unintended effects on existing local and state assessment systems.

I am unable to approve the item designated as a portion of Section 31, paragraph b. This section requires that \$5,000 from the Student Achievement and Teacher Quality allocation for National Board Certification Awards be used to conduct a study of the impact the national board for professional teaching standards certification of Iowa's teachers has on student achievement. This section requires a research design that would cost far more than the \$5,000 in resources provided to complete the study. In addition, the various studies underway nationally will provide sufficient information for decision-makers in Iowa to debate continuation of this program.

I am unable to approve the item designated as Section 33, third unnumbered paragraph in its entirety. The third unnumbered paragraph of Section 33 allocates up to \$1,000,000 from the Student Achievement and Teacher Quality appropriation for the value-added assessment system. This appropriation is unnecessary with the veto of Section 19. In addition, an investment in Iowa's high quality teaching staff will pay more dividends than creating another assessment data base.

For the above reasons, I respectfully disapprove of the designated items in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in House File 816 are hereby approved as of this date.

Sincerely,  
THOMAS J. VILSACK, *Governor*

---

## CHAPTER 170

### APPROPRIATIONS — ECONOMIC DEVELOPMENT

*H.F. 809*

**AN ACT** relating to and making appropriations to the department of economic development, the office of the treasurer of state, certain board of regents institutions, the department of workforce development, and the public employment relations board, related matters, and providing an effective date.

*Be It Enacted by the General Assembly of the State of Iowa:*

#### ECONOMIC DEVELOPMENT

##### Section 1. GOALS AND ACCOUNTABILITY.

1. The goals for the department of economic development shall be to expand and stimulate the state economy, increase the wealth of Iowans, and increase the population of the state.
2. To achieve the goals in subsection 1, the department of economic development shall do all of the following: